



Testimony Presented to the Government Operations Committee on the Senate Substitute for HB 4714

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Good afternoon Chairman Richardville and members of the committee. I am Gilda Jacobs, president and CEO of the Michigan League for Public Policy, formerly the Michigan League for Human Services. The League has been advocating for low-income families and children in Michigan for more than 100 years, and I appreciate the opportunity to testify on the Senate Substitute for House Bill 4714, the "Healthy Michigan Plan" legislation.

Let me start by sharing an example of someone who might benefit from the Medicaid eligibility expansion. She is a direct care worker in an assisted living facility who is feeding, bathing, dressing and perhaps changing the adult diapers of our elderly or disabled family members and friends. This person works very hard providing compassionate care to those they serve and those we love. Do you know that the median annual earnings for this person are \$12,000 and that 41% of these workers do not have healthcare coverage themselves? This is only one example of the **working** individuals (an estimated 50,000 direct care **workers** in Michigan alone would qualify) who would benefit from the Medicaid eligibility expansion.

There is a misperception that the hundreds of thousands of residents who will be helped are taking a handout. That simply is not true. They need a hand up. According to the Department of Community Health's most recent *Michigan Uninsured at a Glance*, 78% of the uninsured are in households with at least a part-time worker as head of the family. These are low-income, **hard-working residents**.

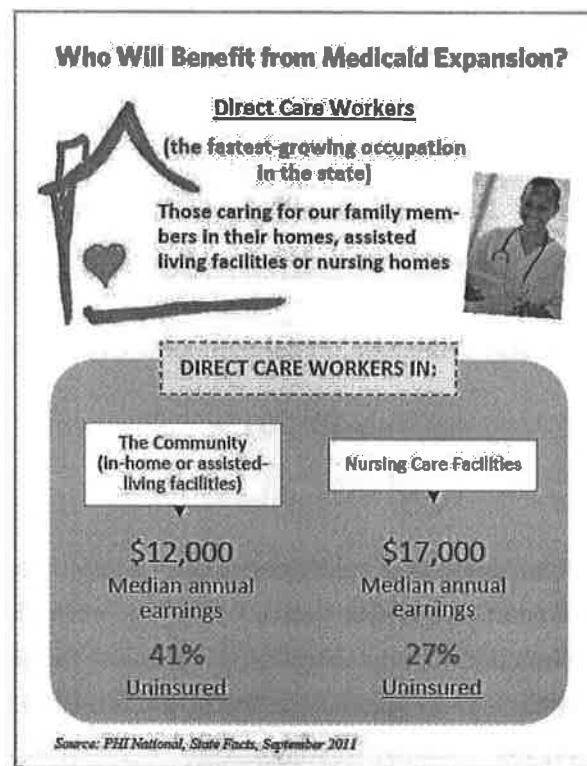
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The following graphic displays the incomes and insurance status of direct care workers in Michigan. It is sad to see not only how low their incomes are, but how many are working in healthcare with no healthcare coverage themselves.



There are many other examples of **low-wage workers** who would benefit from the Medicaid eligibility expansion such as child care **workers** (those taking care of our children while we work), retail staff, servers in restaurants, to name a few. Expansion of Medicaid eligibility could help all of these low-wage **workers** be healthier and more productive in their jobs, also a great benefit to their employers. Again, 78% of the uninsured are in households with at least a part-time worker as head of the family.

We are pleased that the Senate Substitute for H.B.4714 provides a pathway to proceed with waiver negotiations with the federal government while enrolling eligible individuals in Medicaid and providing needed healthcare services to those who qualify beginning January 1, 2014. We are also pleased that this legislation covers all of the newly eligible individuals as required in the Affordable Care Act, and that alternatives included in the House-passed bill to the "hard " 48-month time limit are maintained in this legislation.

There are numerous provisions included in this legislation that will benefit both the Medicaid enrollees and the state in terms of improved health status and reduced cost including:

- Provisions that reduce barriers to receiving needed care, such as the option to waive copays for services that “prevent the progression of and complications related to chronic disease” or other options for reductions in cost sharing are critical to this low-income population. We strongly urge policies that remove barriers to needed care, not create them, and that do not create financial hardship for these low-income working residents.
- The focus on quality services and improvements in population health will benefit all.
- Establishment of the Michigan Health Savings Fund with specific contribution requirements and appropriation of funds to commence this critical coverage are important additions.

We support this legislation that accepts the federal funds available to the state under the law, takes advantage of the many strengths of the current Medicaid program while providing opportunities for further streamlining and improves Michigan’s health status. It will save state dollars and lives. It also provides the opportunity for innovation to ensure that the right services are provided at the right time, in the right place, by the right provider.

Thank you for the opportunity to provide comments on this important legislation. I urge you to support this bill and then look forward to working with you as we move forward to implement this important public policy.

